

FY24 OPERATING BUDGET

TOWN OF DUNSTABLE

**Presentation to the Select Board
April 5, 2023**

- January 9: Budget and Capital Request Worksheets Distributed to Departments
- January 23: Departmental Budgets and Capital Requests Submitted to Town Administrator
- February 1: Advisory Board Meeting – Initial Budget Review
- February 8: Joint Meeting of the Advisory Board and GDRSD School Committee
- February 14: Capital Planning Committee Meeting
- March 3: Capital Planning Committee Meeting
- March 9: Joint Meeting of the Select Board and Advisory Board
- March 10: Capital Planning Committee Meeting
- March 16: Joint Meeting of the Select Board and Advisory Board
- March 21: Capital Planning Committee Meeting
- March 22: Advisory Board Meeting
- March 30: Select Board Meeting – budget discussion
- April 5: Town Administrator presents budget and override options

- April 13: Joint Meeting of the Select Board and Advisory Board
- April 13: Select Board Approves Town Meeting Warrant
- April 26: Advisory Board Public Hearing on Town Meeting Warrant
- May 1: Town Meeting Warrant is Posted
- May 8: Town Meeting
- May 16: Town Election

Budget Calendar

Over the course of the last several months, the Select Board and Advisory Board have worked with the Town Administrator and GDRSD School Committee and School Administration to develop the Town's FY24 Operating Budget

FY24 Financial Forecast Assumptions

General

- Salaries: 2% Increase Annually
- General Expenses: 1% Increase Annually
- Contract Services: 2.5% Increase Annually
- Utilities and Energy: 2% Increase Annually
- Assumes \$119,334 in Town Meeting Warrant Articles Expenses Annually
- Assumes a \$50,000 annual reduction in use of Free Cash to balance the budget

Exceptions

- Police Cruiser Replacement: actual anticipated costs
- Firefighter Supplies: 2.5% Increase Annually
- Firefighter PPE: Increase from \$2,500 this year to \$10,000 next year (ARPA this year)
- GDRSD: 6% Increase Annually
- Lowell Vocational and Technical High School: 2.5% Annually
- Debt Service: Actual Debt Schedule
- Nashoba Board of Health Assessment: 7.5% Increase Annually
- Town Nurse Assessment: 5% Increase Annually
- Mental Health Payment: Level Funded

FY24 Financial Forecast

	FY24 Proposed	FY25	FY26	FY27	FY28
Total Town Operating	4,785,325	4,959,428	5,153,592	5,246,845	5,362,343
Total School Operating	8,292,773	8,762,330	9,259,885	9,787,115	10,345,794
Total Town Debt	187,693	187,702	112,074	112,083	112,093
Overlay – Abatements/Exemptions	30,000	30,000	30,000	30,000	30,000
Cherry Sheet Charges	2,323	2,369	2,417	2,465	2,514
Town Meeting Articles		119,344	119,344	119,344	119,344
TOTALS	13,298,114	14,061,173	14,677,312	15,297,852	15,972,089

FY24 Financial Forecast

	FY24 Proposed	FY25	FY26	FY27	FY28
Prior Year Levy Limit	10,685,152	11,062,281	11,448,838	11,845,059	12,251,185
2 1/2 % Allowed Increase	267,129	276,557	286,221	296,126	306,280
New & Amended Growth	110,000	110,000	110,000	110,000	110,000
Levy Limit	11,062,281	11,448,838	11,845,059	12,251,185	12,667,465
Excluded Debt	326,394	326,403	270,331	270,340	270,350
Maximum Allowable Levy	11,388,674	11,775,240	12,115,390	12,521,525	12,937,815
Cherry Sheet Receipts (State Aid)	379,303	394,475	410,254	426,664	443,731
Local Receipts	749,632	750,000	750,000	750,000	750,000
Free Cash for Operating Expenses	479,343	429,343	379,343	329,343	279,343
TOTAL	12,996,952	13,349,059	13,654,987	14,027,533	14,410,889

FY24 Financial Forecast

	FY24 Proposed	FY25	FY26	FY27	FY28
TOTAL REVENUES	12,996,952	13,349,059	13,654,987	14,027,533	14,410,889
TOTAL EXPENDITURES	13,298,114	14,061,173	14,677,312	15,297,852	15,972,089
BUDGET DEFICIT	(301,162)	(712,115)	(1,022,325)	(1,270,320)	(1,561,200)

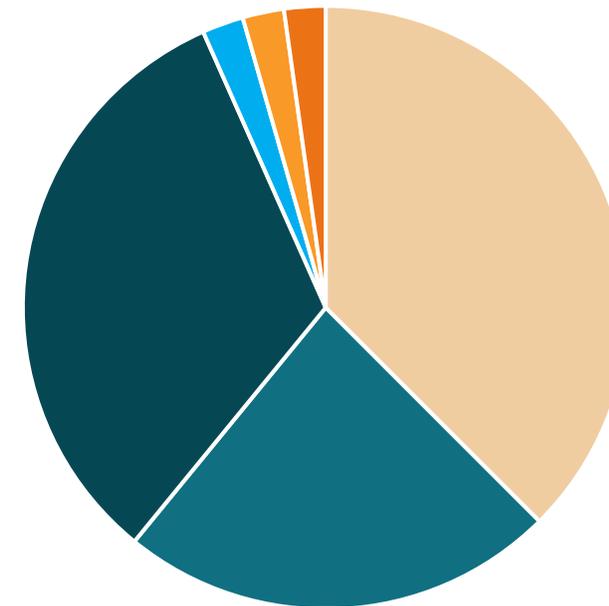
FY24 Balanced Budget

Overview

A combination of budget and service reductions and additional use of free cash

Department	Amount
Police	\$84,874.04
Fire	\$52,824.00
Highway	\$73,464.00
Treasurer/Collector	\$5,000.00
Selectmen	\$5,000.00
Parks	\$5,000.00
Total	\$226,162.04

Budget Reductions



■ Police ■ Fire ■ Highway ■ Treasurer/Collector ■ Selectmen ■ Parks

FY24 Balanced Budget

Detail Breakdown

A combination of budget and service reductions and additional use of free cash

Department	Reduction	Amount
Police	Patrol Officer	\$79,953.04
	adjustment to Sergeant salary	\$2,421.00
	Vehicle Supplies	\$1,000.00
	Other Supplies	\$1,000.00
	Lock up	\$500.00
	TOTAL	\$84,874.04
Fire	Full-time wages	\$46,824.00
	Training	\$2,500.00
	Firefighter Supplies	\$2,000.00
	PPE	\$1,000.00
	Rehab	\$500.00
	TOTAL	\$52,824.00
Highway	Driver	\$58,464.00
	Communications	\$10,000.00
	MS4/catch basins	\$5,000.00
	TOTAL	\$73,464.00
Treasurer/Collector	Part-time wages	\$5,000.00
Selectmen	Dues and Membership	\$5,000.00
Parks	Other Property Related Services	\$5,000.00
TOTAL REDUCTIONS		\$226,162.04
FY24 Additional Revenue		
Free Cash		\$75,000.00
TOTAL ADDITIONAL REVENUE		\$301,162.04
Unemployment		\$20,000.00
Additional Free Cash Appropriation		\$20,000.00
TOTAL		\$321,162.04

Police Department

Current Situation:

- Patrol Officer is leaving the Department on May 8.
- Town paid to send recruit to Full-Time Police Academy, approximately \$4,000.
- Expected to complete the Academy in August.
- Part-time officer, planned to increase to full-time, recently completed the Bridge Academy and is pending review from the Municipal Police Training Committee (MPTC).
- Plan is to promote a Patrol Officer to a vacant Sergeant position once both candidates are appointed.

Impacts of Reductions:

- Need to reduce staffing to 1 patrol officer during night shift, Monday through Friday.
- Safety concerns for officer and residents.
- If the officer on duty is responding to 1 call, they may not be able to leave to respond to a second or third call.
- Increased reliance on mutual aid from other towns which would increase response time.
- If officers are on leave or deployed, it would cause shifting of schedules and reduce coverage during other hours, as well.
- Currently, also have a smaller pool of part-time officers (five) to fill gaps in schedule.
- Difficulty in recruiting/retaining future and current officers.
- Not filling the Sergeant position reduces supervision on the road.

Impacts of Budget Reductions

Police Department

Fire Department

Current Situation:

- Two per diem firefighters from 8 AM to 4 PM, 7 days per week
- After 4 PM, on-call response
- Currently, there are 26 on-call firefighters, 3 live in Dunstable and 2 are fire certified, all others live in border communities

Impacts of Reductions:

- Reduce per diem firefighter schedule from two to one from 8 AM to 4 PM, 7 days per week
- Increased reliance on on-call firefighters during the day when many of them are working other jobs
- Safety concerns for firefighters and residents
- If only the one per diem firefighter responds to an emergency, their ability to respond adequately is limited with no support and/or back-up.
- Increased reliance on mutual aid.
- Increased reliance on mutual aid and on-call firefighters will adversely affect response times and response actions to fire.
- Less funding for supplies, Personal Protective Equipment (PPE), and training.
- Difficulty in recruiting/retaining future and current officers.

Impacts of Budget Reductions

Fire Department

Highway Department

Impacts of Reductions:

- Currently, the Highway Department is staffed with 3 employees and the Highway Superintendent
 - This staffing model requires one employee to be alone at all times
 - Creates safety concerns for employee and ability to perform certain work is limited.
 - A fourth employee is needed for the following reasons:
 - Patching, filling, repairing streets
 - Increased responsibilities under the Town's MS4 Stormwater Permit
 - Maintenance and upkeep of equipment and vehicles
 - Sanding/plowing streets
 - Full time employee, especially during the winter months, would bring stability and improved performance.
 - To perform the street and stormwater work, a 2-employee crew is necessary.
- Relocating the antenna for the radio system would remove bad coverage areas and dead spots throughout Town.
 - Bad coverage areas can cause safety issues in emergencies
- Reducing the catch basin and other stormwater cleaning and maintenance will make it difficult to comply with our MS4 Stormwater Discharge Permit.

Impacts of Budget Reductions

Highway Department

Treasurer/Collector

Impacts of Reductions:

- Reducing the request for part-time coverage hours will impact the Treasurer/Collector operations.
 - Currently, the Treasurer/Collector's Office is behind in its workload causing the Town to hire a consultant to make us current in reconciling cash
 - The former Treasurer/Collector is acting as interim currently and also assisting the Town to get current in its work.
 - Long-term, additional in-house support is needed to ensure a functional department.

Selectmen

Impacts of Reductions:

- Reducing contractually obligated training funding for the Town Administrator.

Parks

Impacts of Reductions:

- Landscaping contract expires at the end of the calendar year requiring procurement of a new contract which is expected to cost more than the existing contract.
- Recreation has identified the need to have a separate irrigation maintenance contract which would not be possible with the reduced funding amount.

Impacts of Budget Reductions

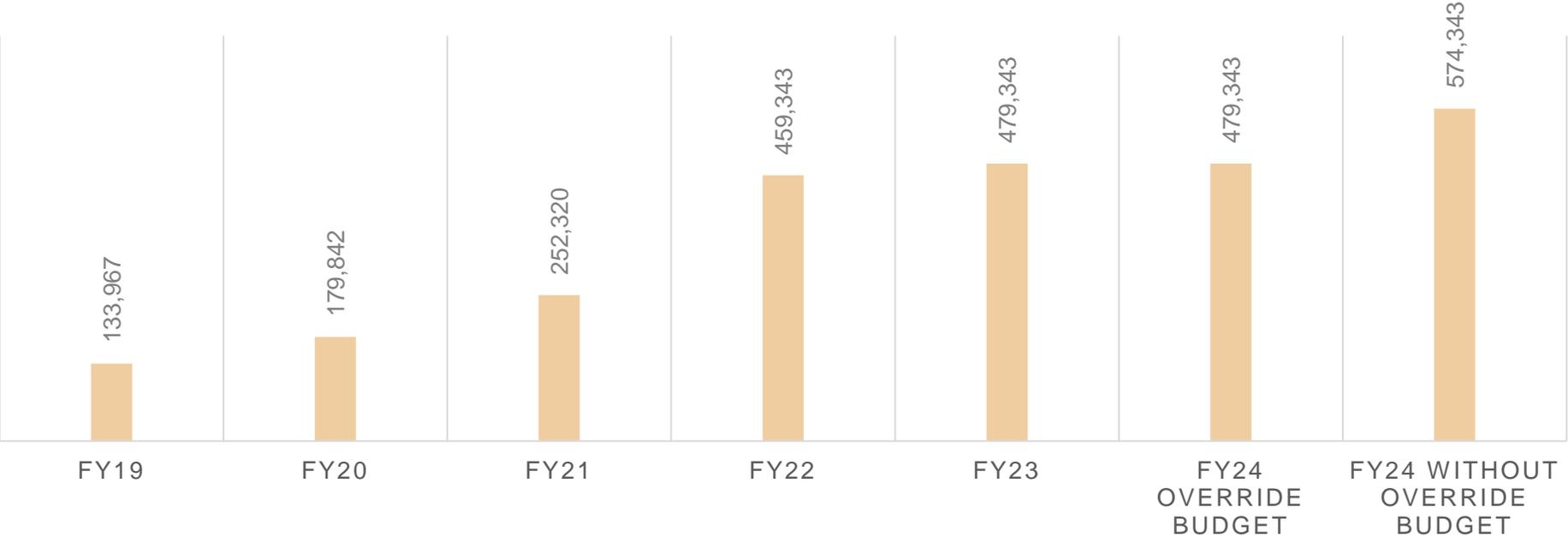
Treasurer/Collector Selectmen Recreation

FREE CASH

FREE CASH USED TO BALANCE BUDGET

FY19	FY20	FY21	FY22	FY23	FY24 Override Budget	FY24 without override Budget
133,967	179,842	252,320	459,343	479,343	479,343	574,343

FREE CASH FOR OPERATING EXPENSES



FREE CASH

Best Practices

From a 2016 report from the Massachusetts Department of Revenue's Division of Local Services:

“As a nonrecurring revenue source, free cash should be restricted to paying one-time expenditures, funding capital projects, or replenishing other reserves. When a community incorporates free cash into revenue source projections for next-year operational expenses, it is prudent to place a percentage restriction on the total free cash to be used.

Overall, the Technical Assistance Bureau recommends that communities adopt a free cash policy that avoids supplementing current year departmental operations.”

Revenues

Tax Levy

State Aid

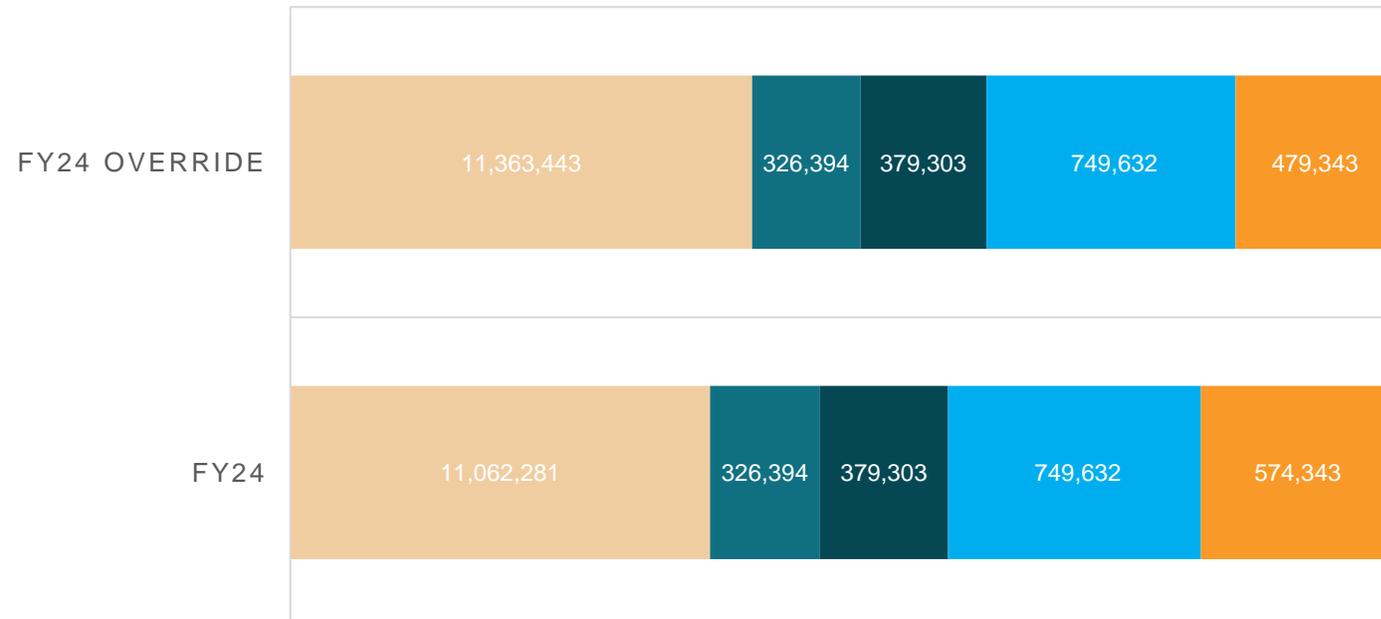
Local Receipts

Free Cash

	FY24	% of Revenues	FY24 Override	% of Revenues
Tax Levy	11,062,281	84.50%	11,363,443	85.45%
Excluded Debt	326,394	2.49%	326,394	2.45%
State Aid	379,303	2.90%	379,303	2.85%
Local Receipts	749,632	5.73%	749,632	5.64%
Free Cash	574,343	4.39%	479,343	3.60%
TOTAL	13,091,952	100.00%	13,298,114	100.00%

FY24 TOTAL REVENUES

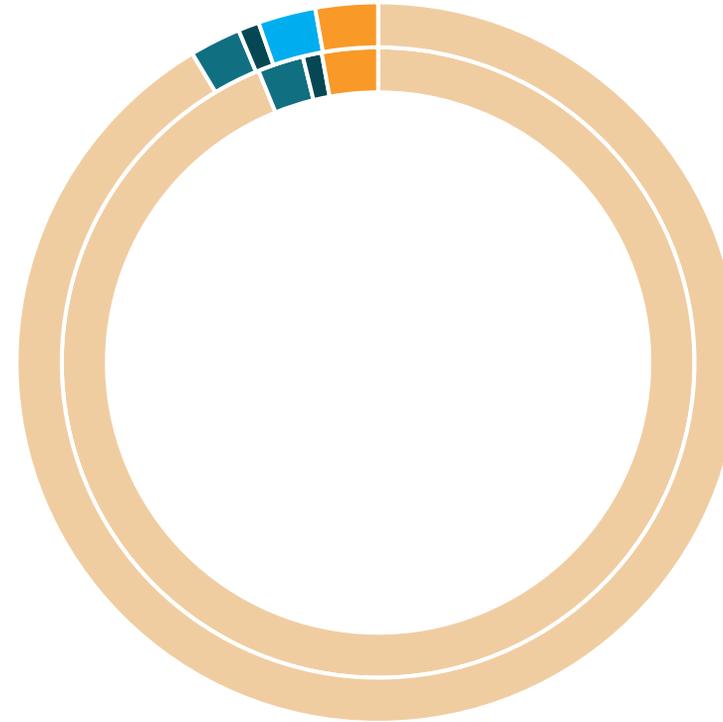
■ Tax Levy
 ■ Excluded Debt
 ■ State Aid
 ■ Local Receipts
 ■ Free Cash



Real Estate Tax Revenue

	FY24	FY24 Override
Prior Year Levy Limit	10,685,152	10,685,152
2 1/2 % Allowed Increase	267,129	267,129
New Growth	110,000	110,000
Prop 2 1/2 Override		301,162
Excluded Debt	326,394	326,394
Maximum Allowable Levy	11,388,674	11,689,836

Real Estate Tax Revenue

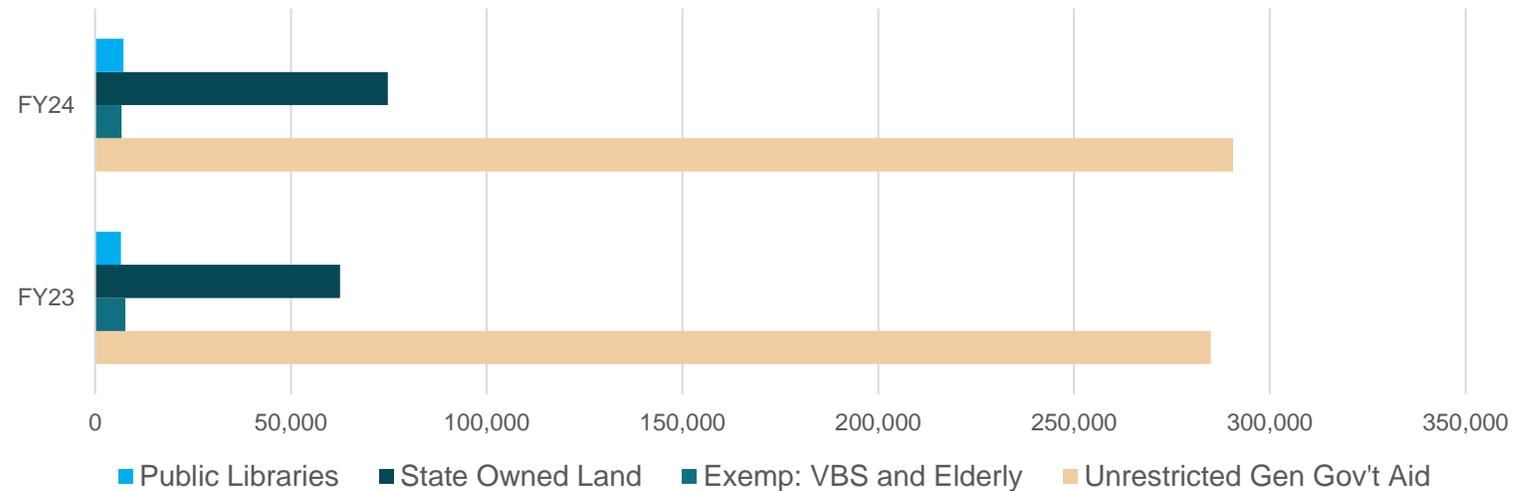


- Prior Year Levy Limit
- 2 1/2 % Allowed Increase
- New Growth
- Prop 2 1/2 Override
- Excluded Debt

State Aid

State Aid	FY23	FY24
Unrestricted Gen Gov't Aid	284,914	290,612
Exemp: VBS and Elderly	7,692	6,757
State Owned Land	62,523	74,738
Public Libraries	6,608	7,196
Total Estimated Receipts:	361,737	379,303
Air Pollution Districts	1,148	1,203
RMV Non-Renewal Surcharge	2,700	1,120
Total Charges:	3,848	2,323
Net:	357,889	376,980

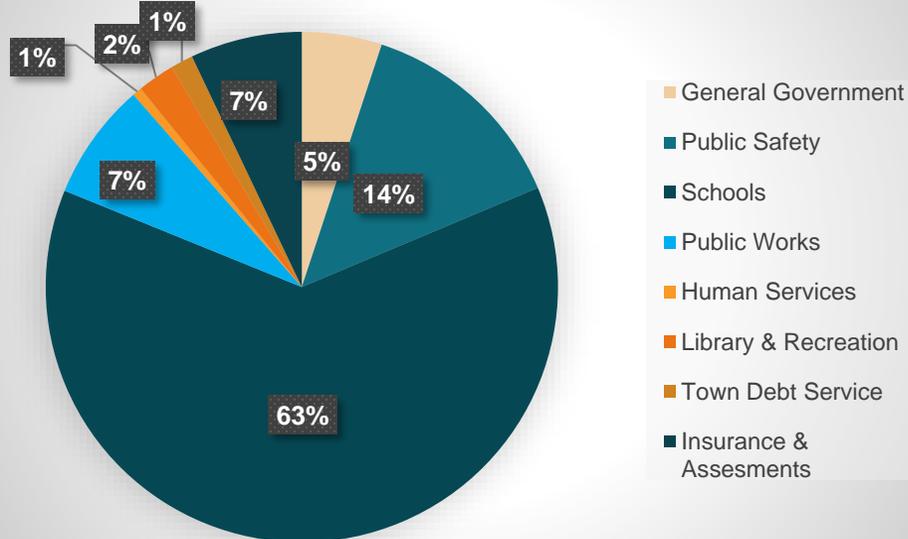
State Aid Receipts



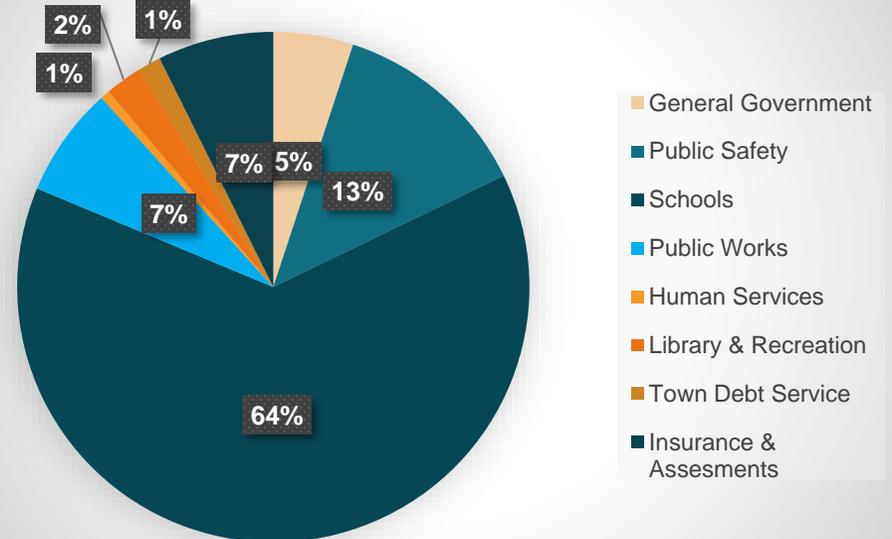
EXPENDITURES

Budget Category	FY24 Override Budget	FY24 without Override Budget
General Government	670,102	659,182
Public Safety	1,803,344	1,666,566
Schools	8,292,773	8,292,773
Public Works	985,440	911,976
Human Services	78,382	78,382
Library & Recreation	312,171	307,171
Town Debt Service	187,693	187,693
Insurance & Assesments	935,886	955,886
Total Town Budget	13,265,791	13,059,629

FY24 Budget Expenditures - Override



FY24 Budget Expenditures - No Override



OVERRIDE COST TO TAXPAYERS

	No Override	1 Year Override	2 Year Override	3 Year Override
Override Amount*		\$301,162.00	\$704,586.00	\$996,993.00
Tax Rate	\$15.12	\$15.52	\$16.06	\$16.44
Average Tax Bill	\$8,951.04	\$9,187.84	\$9,507.52	\$9,732.48
Increase		\$236.80	\$556.48	\$781.44

Cost to Taxpayer			
	Per Year	Per Month	Per Day
1 Year Override	\$236.80	\$19.73	\$0.65
2 Year Override	\$556.48	\$46.37	\$1.52
3 Year Override	\$781.44	\$65.12	\$2.14

Calculating Your Tax Bill

Calculating YOUR TAX BILL

Navigating your annual tax bill can be confusing at times. How exactly is your tax bill calculated?



Step 1. Town Meeting

The Annual Town Meeting attendees raise and appropriate funds that set the fiscal year budget based on a preliminary budget put together by the Select Board, Finance Team, and Finance Committee.



Step 2. SET THE TAX RATE

The Tax Rate is determined by dividing the Total Tax Levy by the total taxable values within the town. The Tax Levy is offset by local receipts (taxes, licenses, state aide)



Step 3. Bill Calculation

Total Tax Rate multiplied by the property value divided by 1,000 equals the total annual tax bill.



Step 4. Tax Bills Sent

Your quarterly bills are sent out ahead of their due dates. With August and November based on the prior Fiscal Year, and February and May based on the current.

CAPITAL EXPENDITURES

All capital expenditures are being funded through ARPA in FY24

Capital Expenditure	Amount
Police Vests	\$9,500.00
Police Cruiser	\$61,000.00
Fire PPE	\$16,000.00
Rte 113 Paving	\$10,000.00
IT upgrades	\$15,000.00
Salt Shed Roof	\$25,000.00
Fire Station Roof	\$40,000.00
	\$176,500.00